

Message Text

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R 192129Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY LAGOS

INFO USINT ALGIERS

AMEMBASSY TRIPOLI

AMEMBASSY KUWAIT

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY ABU DHABI

AMEMBASSY TEHRAN

AMEMBASSY LAGOS

AMEMBASSY JAKARTA

AMEMBASSY CARACAS

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AMEMBASSY QUITO

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E.O. 11652:

TAGS:ENRG

SUBJECT:PETROLEUM PRICES

REF: LAGOS 7172

KUWAIT PASS DOHA, BEIRUT PASS BAGHDAD

1. INCREASES IN PRICES OF COMMODITIES OTHER THAN PETROLEUM,
WHILE SUBSTANTIAL IN SOME CASES, DO NOT APPROACH MAGNITUDE
OF INCREASES IN OIL PRICES SINCE 1971, WHETHER MEASURED ON
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BASIS OF RECENT ANNUAL INCREASES OR OVER LONGER TERM.

2. FOLLOWING INDICES (IN WHICH 1963 EQUALS 100) PROVIDE DATA WHICH EMBASSY MAY WISH USE IN COUNTERING SUGGESTION OF FMG THAT OIL PRICE INCREASES HAVE BEEN ACCOMPANIED BY SIMILAR INCREASES IN THE PRICE OF MANUFACTURED GOODS AND THE OTHER GOODS CITED BY DOVE-EDWIN.

.....MANU-.....ALL.....METAL...COPPER
YEAR....FACTURE....FOOD....WHEAT....COCOA ..ORES ..(WIRE BAR)

1957	95	106	96	121	109	94
1958	96	103	100	175	102	85
1959	99	96	93	145	101	102
1960	100	94	93	112	102	105
1961	101	92	96	89	102	98
1962	99	94	102	83	100	100
1963	100	100	100	100	100	100

-, MANU- ALLMETAL COPPER
YEAR....FACTURE....FOOD....WHEAT....COCOA...ORES..(WIRE BAR)

1964	101	105	106	92	108	151
1965	103	103	94	68	114	201
1966	106	103	104	96	105	237
1967	107	104	103	115	109	178
1968	107	102	98	136	108	224
1969	110	106	96	180	114	265
1970	117	111	91	135	112	251
1971	124	117	98	106	126	190
1972	134	132	114	128	134	183
1973	155	194	246	254	160	311

SOURCES: UN MONTHLY BULLETIN OF STATISTICS (MANUFACTURES, FOOD, METAL ORES); FAO (COCOA); IMF, INTERNATIONAL FINANCIAL STATISTICS (WHEAT, COPPER).

(NOTE: NO ADEQUATE INDEX CAN BE CONSTRUCTED FOR BAUXITE PRICES BECAUSE MOST BAUXITE IS TRADED WITHIN VERTICALLY-INTEGRATED FIRMS RATHER THAN THROUGH AN OPEN MARKET.)

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3. WE HAVE NOT ATTEMPTED TO PROVIDE EMBASSY WITH PRECISE INDEX OF MOVEMENTS IN PRICE OF NIGERIAN OIL, ASSUMING YOUR FIGURES MORE COMPLETE THAN DATA AVAILABLE IN WASHINGTON AND THAT EMBASSY BEST JUDGE OF SERIES MOST APPROPRIATE TO USE WITH FMG. OUR INFORMATION DOES SHOW THAT NIGERIAN POSTED PRICE INDEX FOR 34 DEGREE CRUDE NOW STANDS OVER 600 ON BASE OF 1963-100.

4. ANALYSIS OF CONTRIBUTION OF OIL PRICE INCREASES TO
RATE OF INFLATION IN SEVERAL MAJOR INDUSTRIAL COUNTRIES
CONTAINED IN ISSUES OF INTERNATIONAL OIL DEVELOPMENTS
DATED JULY 11, 18 AND 25 AND AUGUST 1. KISSINGER

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